

back and which ought to be provided without any offsets whatsoever. There are tax cuts of \$2 trillion over 10 years with no offsets. Iraq, as important as it is, a commitment to this country and to our efforts abroad, has no offsets. Highway construction, creating a million new jobs, has to be pared back. We are told all of the discretionary spending in this year's budget could be eliminated, every single dollar, with no money for education, health care, highways, or infrastructure of any kind, and we would still have a \$150 billion deficit in this year's budget.

As I look at the decisions and the choices made by this administration, there is a \$140 million loss in the funding for conservation efforts, which, in a State with fragile lands such as South Dakota, is a big deal. We lose thousands of acres every year to wind erosion. Conservation is vital, and to cut back \$140 million in 1 year alone means we are going to lose a lot more. This budget the President proposed a week ago represents a \$3.9 billion cut in aid to small towns and rural communities, \$3.9 billion in losses that would otherwise go to improving the economic circumstances of small town main street. That, too, in the interest of balancing a budget that is lopsidedly in favor of foreign policy, tax policy, and against the priorities of policies at home. Even the basic programs to provide water and sewer services have been cut in the President's budget.

About two hundred million dollars in grants, to small cities and towns, that provide water and sewer assistance were cut in this budget. So I simply say that the priorities represented by some during the debate on the highway bill, as well as the priorities reflected in this budget, are not the priorities I hear when I go home to South Dakota, not the priorities I hear when I talk to those who are concerned, as I am, about the implications of the extraordinary deficit created over the course of the last 3 years.

The debt, and the incredible debt service we are paying, will be something my children and grandchildren will pay. We had a projected surplus of over \$5.5 trillion 3 years ago. Now we have a projected debt of over \$3.9 trillion, a shift of about \$9 trillion in 3 years.

We are told that to pay it back requires \$3 for every \$1 we have borrowed. What is amazing is we have gone to the Social Security bank and we have taken all of that, we have gone to the Medicare bank and we have taken all of that, so now we are going to the banks of the Chinese and the Japanese and the Taiwanese and South Koreans and we are borrowing at rates unprecedented to make up for the debt that we are accruing at \$1 million a minute.

We ought to have a good debate about the budget. We ought to get this job done, this highway bill, so we can move on to other important matters. But I must say, I can't think of any-

thing more important than finishing this bill, than committing the resources to create those jobs, to deal with at least one of the deficits we have in this country, the infrastructure deficit. If we do that well, we can turn, hopefully in a bipartisan way, to address these other challenges before the end of this session.

I yield the floor, and I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. INHOFE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

#### RESERVATION OF LEADER TIME

The ACTING PRESIDENT pro tempore. Under the previous order, the leadership time is reserved.

#### SAFE, ACCOUNTABLE, FLEXIBLE, AND EFFICIENT TRANSPORTATION EQUITY ACT OF 2003

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will resume consideration of S. 1072, which the clerk will report.

The legislative clerk read as follows:

A bill (S. 1072) to authorize funds for Federal-aid highways, highway safety programs, and transit programs, and for other purposes.

Pending:

Modified committee amendment in the nature of a substitute.

Dorgan amendment No. 2267, to exempt certain agricultural producers from certain hazardous materials transportation requirements.

Gregg amendment No. 2268 (to amendment No. 2267), to provide that certain public safety officials have the right to collective bargaining.

The ACTING PRESIDENT pro tempore. The Senator from Oklahoma.

Mr. INHOFE. Mr. President, let me thank all the Members who had their staff come down, and some Members came down over the weekend, brought their amendments, and met with my staff and met with Senator JEFFORDS' staff and I believe with Senator REID's staff. We got into a good discussion on the various amendments. We discussed with them our amendments. I am pleased with the response of those Members who understand how important it is to pass this legislation and have come to us in the week that this bill has been on the floor.

To date, I believe we have met with about 30 Member offices. We are all looking forward to working hard to accommodate the needs of these offices with as many amendments as possible. I encourage anyone out there who has amendments to bring them down, talk about them, and let's get some of this debate started.

The chairman, ranking member of the full committee of the Transporta-

tation Subcommittee—we are all ready to work with those Members.

I wish to take a moment to congratulate Senator GRASSLEY and Senator BAUCUS for their work on the finance portion of this legislation. They have done a tremendous job in meeting the financial needs of this bill without increasing taxes or deficit spending. They have also brought integrity back to the highway trust fund and to the commitment we made to the American people.

The trust fund is, in essence, a user-fee-based program. You pay a gas tax and that money is then used for transportation purposes. Unfortunately, the trust fund has been used for many years for other purposes, including shifting the burden of tax policies from the general revenue to the trust fund. These tax policy benefits have nothing to do with highway use and should not burden the trust fund.

I look at this, and I have said it many time before, as a moral issue. We tell people when they pay—and they don't mind paying new taxes, even higher taxes. They are willing to pay the taxes because they want to have better roads and they assume that money is going to go into building roads. But it is not. They have been raiding the highway trust fund now for as long as I can remember.

So the Finance Committee sought to fix this unfairness to the taxpayer and has come up with a proposal to right this wrong.

Included in these proposals is a repeal of the partial exemption for ethanol-blended fuels. The tax benefit for ethanol, like nearly all energy production incentives, is transferred to the general fund through a tax credit. The same effect is applied to refunds for special categories of users such as State and local governments. These are changes that never should have been necessary. We should no more raid the highway trust fund than we should raid the Social Security trust fund. These are commitments made to the American people.

However, by bringing integrity back to the trust fund, the general fund lost a source of revenue, albeit a source that never should have been used in the first place. So in order to avoid deficit spending, Chairman GRASSLEY closed a number of loopholes in the Tax Code and kept the general fund whole—in other words, no deficit spending.

There are those who have questioned the manner in which this was done, but I trust the chairman and the ranking member of the Finance Committee and take them at their word. They should be congratulated. I am here to thank both of them.

Because of the work of the Finance Committee, we have a bill before us that will provide over 2 million new jobs to repair our Nation's infrastructure and do so without deficit spending.

I think it is very important to keep talking about this. There is not a Member in here who cannot remember at